

A RESOLUTION**BY FINANCE/ EXECUTIVE COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN APPROPRIATE CONTRACTUAL AGREEMENT WITH SEGAL COMPANY, PURSUANT TO THE SPECIAL PROCUREMENT PROVISIONS CONTAINED IN CHAPTER 2, ARTICLE X, DIVISION 4, SECTION 2-1191.1 OF THE PROCUREMENT AND REAL ESTATE CODE, OF THE CITY OF ATLANTA CODE OF ORDINANCES, ON BEHALF OF THE DEPARTMENT OF FINANCE FOR CONSULTING SERVICES FOR THE CITY OF ATLANTA PENSION FUNDS (GENERAL, POLICE OFFICERS, AND FIREFIGHTERS) FOR A PERIOD OF (1) YEAR, IN AN AMOUNT NOT TO EXCEED NINETY- FIVE THOUSAND DOLLARS AND NO CENTS (\$95,000.00); ALL CONTRACTED WORK TO BE CHARGED TO AND PAID FROM FUND, DEPARTMENT ORGANIZATION AND ACCOUNT NUMBER 1001(GENERAL FUND) 200101 (NON-DEPARTMENTAL) 5212001(CONSULTING/PROFESSIONAL SERVICE) 1512000(ACCOUNTING); AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta's budget has been affected by the national economic downturn; and

WHEREAS, The City is faced with a total unfunded pension liability of approximately \$1 billion across all of its pension funds and recently extended the period for amortizing the Unfunded Actuarial Accrued Liability (UAAL) for the General, Police and Fire Plans; and

WHEREAS, These changes provided some immediate relief, but the City is also interested in considering additional options related to a long-term solution to its pension issues; and

WHEREAS, the City Council of the City of Atlanta's Bain Study and Recommendation requires further actuarial evaluation and review in order to recommend design and structural changes to the three pension funds; and

WHEREAS, Segal Company already serves as the actuary for the General Employees Pension Fund and has familiarity with all of the City's plans and recent legislative amendments to the pension plans;

WHEREAS, pursuant to §2-1191.1 of the Atlanta City Code an unusual or unique situation exists that renders the competitive bid requirements contrary to the public interests and where the procurement does not meet the definition of sole source, a special procurement, supported by the written statements of the Chief Procurement Officer; and

WHEREAS, the Chief Procurement Officer has determined in writing, after conducting a good-faith due diligence review of reasonable available sources that a special

procurement is warranted and that it is in the best interest of the City to provide for the special procurement of Segal Company for the consulting services sought by the City,

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY RESOLVES that the Mayor is hereby authorized under the authority of §2-1191.1 of Article X, Procurement And Real Estate Code, of the City of Atlanta, Code of Ordinances, to execute, on behalf of the City of Atlanta DEPARTMENT OF FINANCE, an agreement with Segal Company for Consulting Services for the review and recommendation of design and structural changes to the pension plans, in an amount not to exceed Ninety-Five Thousand Dollars (\$95,000.00).

BE IT FURTHER RESOLVED, that the agreement shall be for a period of one (1) year.

BE IT FURTHER RESOLVED, that all contracted work shall be charged to and paid from Fund, Department Organization and Account number 1001 (GENERAL FUND) 200101(NON-DEPARTMENTAL) 5212001 (CONSULTING/PROFESSIONAL SERVICE) 1512000 (ACCOUNTING).

BE IT FURTHER RESOLVED, that the City Attorney be and is hereby directed to prepare the appropriate contractual agreement for execution by the Mayor.

BE IT FINALLY RESOLVED, that said contractual agreement shall not become binding upon the City, and the City shall incur no liability upon the same until such contract is approved by the City Attorney as to form, executed by the Mayor, attested to by the Municipal Clerk, and delivered to the contracting parties.

**LEGISLATIVE COUNSEL
REQUEST FOR LEGISLATION**

1. Please describe the goal of the legislation.

☐ What is the issue?

The City currently provides retirement benefits for various levels of City employees including General Employees, Police and Fire as well as certain positions at the Atlanta Board of Education. Employees of the City and the Board of Education are not covered by Social Security and rely solely on money provided by the City and personal savings for retirement income.

General Fund employees at job grade 18 and below are provided with a Defined Benefit Pension Plan for which the majority of employees contribute 7% (or 8% if married) of pay. All other General Employees are covered by a Defined Contribution Plan that requires the City to contribute 6% of pay on behalf of employees.

Police and Fire public safety employees are also provided with a Defined Benefit Pension Plan and employees contribute 7% (or 8% if married) of pay. The Police and fire pension Plans are treated as separate plans by the City with each having its own board, investments and consultants.

Like many cities across the United States, the City's budget has been affected by one of the worst economic downturns of all time. The City is faced with a total unfunded pension liability of about \$1 billion across all of its pension funds and recently extended the period for amortizing the Unfunded Actuarial Accrued Liability (UAAL) for the General, Police and Fire Plans. These changes provided some immediate relief, but the City is also interested in considering additional options related to a long-term solution to its pension issues. Therefore, the City is interested in reviewing all of its retirement plans and considering changes that will provide adequate lifetime income to participants and manageable long-term cost for the City.

☐ Why is it an issue?

The City believes it can provide a better lifetime retirement income for its employees while at the same time, being able to manage the cost of a better retirement plan.

☐ How do we solve it?

Adopt legislation authorizing the Department of Finance to enter into a Special Procurement with The Segal Company, a qualified consulting firm to perform an independent review of all of the City's pension plans as of July 1, 2009.

2. Please describe why legislation is required rather than administrative action by the Department (please cite any relevant code sections or internal policies).

Legislation is required in order to enter into contractual agreements.

**LEGISLATIVE COUNSEL
REQUEST FOR LEGISLATION**

3. If there is an existing process, will this legislation impact that process? How?

The adoption of this legislation will coincide with the existing process.

4. Please explain and estimate any financial impact on the City or your Department.

- ☐ Will the City need to appropriate or transfer funds to accomplish this purpose?

NO

- ☐ Has this purpose already been set forth in the budget?

**Adequate funding in the 2009 Budget in the CFO Cost Center: 1001 100101 5212001 1320000
is available to cover the cost of this agreement**

Will there be a fee or charge assessed by the City?

- **YES, If so, how much? \$95,000.00**
- How was the fee or charge determined?

**The Segal Company determines its fees for service based on expected staff hourly rates
and estimated number of hours to complete each task.**

- ☐ Will there be an increase or decrease in personnel?

NO

- Has HR been made aware of the need for personnel changes?
- Will positions be created or abolished?

- ☐ Will additional resources be required to achieve this purpose? Already included in the ERP budget approved by City Council

- If yes, what are those resources?
- Has the Department estimated the cost of those resources?

- ☐ Will revenue be generated for the City?

NO

**LEGISLATIVE COUNSEL
REQUEST FOR LEGISLATION**

5. If there has been previous or similar legislation, please describe and cite the relevant legislation (e.g., 04-R-0001).



CITY OF ATLANTA

Shirley Franklin
Mayor

SUITE 1790
55 TRINITY AVENUE, SW
ATLANTA, GA 30303
(404) 330-6204 Fax: (404) 658-7705
Internet Home Page: www.atlantaga.gov

DEPARTMENT OF PROCUREMENT
Adam L. Smith, Esq., CPPB
Chief Procurement Officer
asmith@atlantaga.gov

August 12, 2009

PROCUREMENT CODE SECTION 2-1191.1 SPECIAL PROCUREMENT DESIGNATION FC-5004

Pursuant to Atlanta City Code Section 2-1191.1, the Chief Procurement Officer may initiate a procurement above the small purchase amount specified in Section 2-1190 where he/she determines that an unusual or unique situation exists that make the application of all requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest and such procurement does not technically qualify as a sole source procurement under Code Section 2-1191. Any special procurement under this Section shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the procurement and for the selection of the particular contractor shall be included by the chief procurement officer in the contract file.

This special procurement request is made to procure consulting services for the purpose of conducting an assessment of all three Pension Fund Plans (General Employees, Police and Fire) on behalf of the Department of Finance ("DOF").

Having conducted an investigation of the available sources regarding the materials, goods and/or services stipulated herein pursuant to § 2-1191.1 of the City of Atlanta Code of Ordinances, Special Procurement, my findings are the following:

The Segal Company handles the General Employees Pension plan. Segal is prepared to evaluate, review and recommend redesign/changes to all three City of Atlanta Pension Fund Plans.

I, Adam L. Smith, by the authority vested in me pursuant to § 2-1191.1 of the City of Atlanta Code of Ordinances, do hereby approve, direct and authorize the special procurement for Consulting Services for the General Employees, Police and Fire Plan to The Segal Company.

A handwritten signature in black ink that reads "Adam L. Smith".
Adam L. Smith

CITY OF ATLANTA
DEPT. OF PROCUREMENT

09 AUG 12 PM 4:34



CITY OF ATLANTA

SHIRLEY FRANKLIN
MAYOR


68 MITCHELL STREET, S.W., SUITE 11100
ATLANTA, GEORGIA 30303-0312
TEL (404) 330-6453 FAX (404) 658-6667

JAMES W. GLASS
CHIEF FINANCIAL OFFICER
jiwglass@atlantaga.gov

M E M O R A N D U M

August 11, 2009

TO: Adam Smith
Chief Procurement Officer

FROM: Jim Glass 
Chief Financial Officer

RE: Request for Special Procurement for Consulting Services for the City of Atlanta's
Pension Funds

This is an official request for a Special Procurement of Consulting Services with The Segal Company for the purpose of conducting an assessment of all three Pension Fund Plans (General Employees, Police and Fire).

Segal is prepared to evaluate, review and recommend a redesign/ changes to all three City of Atlanta Pension Fund Plans. The cost and payment for said Special Procurement shall not exceed \$95,000.00 and shall be charged to: 1001 200101 5212001 1512000. This request is being made pursuant to the City Council of the City of Atlanta Bain Study and Recommendation.

Should you require additional information, please contact Margaret A. Crenshaw at ext 6584.

Thank you.

cc: Dave Chapman, Deputy Procurement Officer
Elsa Castro, Contracting Officer
Angela Sneed, Pension Manager

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Jack Tilson

Contact Number: 404-330-6838

Originating Department: Finance Department

Committee(s) of Purview: Finance/ Executive Committee

Chief of Staff Deadline: August 17, 2009

Anticipated Committee Meeting Date(s): September 1-2, 2009

Anticipated Full Council Date: September 15, 2009

Legislative Counsel's Signature: [Signature]

Commissioner Signature: [Signature]

Chief Procurement Officer Signature: [Signature]

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN APPROPRIATE CONTRACTUAL AGREEMENT WITH SEGAL COMPANY, PURSUANT TO THE SPECIAL PROCUREMENT PROVISIONS CONTAINED IN CHAPTER 2, ARTICLE X, DIVISION 4, SECTION 2-1191.1 OF THE PROCUREMENT AND REAL ESTATE CODE, OF THE CITY OF ATLANTA CODE OF ORDINANCES, ON BEHALF OF THE DEPARTMENT OF FINANCE FOR CONSULTING SERVICES FOR THE CITY OF ATLANTA PENSION FUNDS (GENERAL, POLICE OFFICERS, AND FIREFIGHTERS) FOR A PERIOD OF (1) YEAR, IN AN AMOUNT NOT TO EXCEED NINETY- FIVE THOUSAND DOLLARS AND NO CENTS (\$95,000.00); ALL CONTRACTED WORK TO BE CHARGED TO AND PAID FROM FUND, DEPARTMENT ORGANIZATION AND ACCOUNT NUMBER 1001(GENERAL FUND) 200101 (NON-DEPARTMENTAL) 5212001(CONSULTING/PROFESSIONAL SERVICE) 1512000(ACCOUNTING); AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any): not to exceed \$95,000

Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____

(date)

(date)

Received by Mayor's Office: 8/29/09 Reviewed by: [Signature]

(date)

(date)

Submitted to Council: _____